



CITY OF ANAHEIM
MAYOR TOM TAIT

October 29, 2012

The Honorable Thomas J. Borris
Presiding Judge
Orange County Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

RE: 2011-2012 Orange County Grand Jury Report, "Transparency Breaking Up Compensation Fog – But Why Hide Pension Costs?"

Dear Judge Borris:

As the Mayor of the City of Anaheim, I am pleased to respond on behalf of the City to the 2011-2012 Orange County Grand Jury Report, "*Transparency Breaking Up Compensation Fog – But Why Hide Pension Costs*". The City's response addresses the Orange County Grand Jury Report's findings and recommendations relevant to our City in accordance with California Penal Code Sections 933 and 933.05.

Responses to Findings F2, F3, F4, F5

Finding F2: Content & Clarity ratings for EXECUTIVE Compensation Cost – This year in 2012, fourteen of thirty-four cities (41%) were rated excellent for Executive Content and Clarity, while none were rated excellent in 2011. However, twenty of the thirty-four cities were rated good, average, poor and nonexistent, all of whom could improve to excellent.

Response to Finding F2: The City of Anaheim agrees with the finding.

Finding F3: Content & clarity for EMPLOYEE Compensation Cost Ratings - There is the most opportunity for more transparent reporting in the Content and Clarity of Employee Compensation Cost reporting on local government websites. Only five of the thirty-four cities (15%) were rated excellent for Employee Compensation Cost Content and Clarity. Twenty-nine of the thirty-four cities were rated good, average, poor and nonexistent, all of whom could improve to excellent.

Response to Finding F3: The City of Anaheim agrees with the finding.

Finding F4: Transparency of Employer Contribution Rates – Many Orange County local government web sites do not generally post their employer pension annual contribution rates prominently to their web sites as part of their compensation cost disclosure for public disclosure.

Response to Finding F4: The City of Anaheim disagrees. The City of Anaheim for a number of years has posted not only the Employer Contribution Rates and Employee Contribution Rates but also has provided what portion the employer pays and employee pays.

Finding F5: Inclusion of Overtime and On-Call Pay in Employee Compensation Costs – Two key categories are missing from compensation cost reporting. They are overtime pay and on-call pay.

Response to Finding F5: The City of Anaheim disagrees. The City of Anaheim does report any overtime and/or on-call pay within the “Other Pay” column included in the Total Employee Compensation Costs Report readily available on the City’s web site under the heading “Transparency in Government” at <http://anaheim.net/articlenew2222.asp?id=4251> .

Responses to Recommendations R2, R3, R4, R5

Recommendation R2: The Grand Jury recommends that each of the forty-one of the fifty-seven Orange county cities, districts and joint power authority that were rated less than excellent for their Content and Clarity for their Executive and Elected Officials compensation costs page upgrade their Executive Compensation page.

Response to Recommendation R2: The City will add the pension costs in dollar amount and provide a total compensation column consistent with the Orange County Grand Jury’s Appendix D template.

Recommendation R3: The Grand Jury recommends that the County of Orange and all Orange County cities, districts and joint power authority that were rated less than Excellent for Content and Clarity for their Employee compensation costs pages upgrade their Employee pages.

Response to Recommendation R3: The City has already implemented this recommendation.

Recommendation R4: The Grand Jury recommends all Orange County cities, districts and joint power authority, as well as the County of Orange, post their employer pension annual contribution rates prominently and transparently on their web sites.

Response to Recommendation R4: The City of Anaheim already provides this information on the City website and has done so for a number of years as part of a “Benefits Summary” which can be found at <http://www.anaheim.net/images/section/121/BenefitsSummary.pdf> .

Recommendation R5: The Grand Jury recommends all Orange County cities, districts and joint power authority, as well as the County of Orange, include overtime pay and on-call pay in compensation cost reporting on their employees’ compensation pages.

Response to Recommendation R5: The City of Anaheim has already implemented this recommendation both overtime pay and on-call pay are included within the “Other Pay” column easily accessible on the City’s web site.

The City of Anaheim once again would like to express its appreciation over the efforts of the Orange County Grand Jury at conducting a follow-up review on our local governmental agencies transparency of employee costs. The City of Anaheim is committed to public disclosure and transparency in our governmental affairs.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tom Tait", written in a cursive style.

Tom Tait
Mayor

C: Orange County Grand Jury
City Clerk, City of Anaheim